

SENATE, No. 3924

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 10, 2021

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senator Pou

SYNOPSIS

Authorizes NJ Infrastructure Bank to expend certain sums to make loans for transportation infrastructure projects for FY2022.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/30/2021)

1 **AN ACT** authorizing the expenditure of funds by the New Jersey
2 Infrastructure Bank for the purpose of making loans to eligible
3 project sponsors to finance the cost to construct transportation
4 infrastructure projects, and making an appropriation.

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. a. The New Jersey Infrastructure Bank, established pursuant
10 to P.L.1985, c.334 (C.58:11B-1 et seq.), is authorized to expend the
11 aggregate sum of \$68,349,007 or such amounts as can be supported
12 through balances in the State Transportation Infrastructure Bank
13 Fund, established pursuant to section 34 of P.L.2016, c.56
14 (C.58:11B-10.4), and via direct appropriation through the State
15 transportation capital program for the purpose of making loans to or,
16 on behalf of, local government units to finance all or a portion of the
17 cost of construction of transportation infrastructure projects listed in
18 section 3 of this act.

19 b. The bank is authorized to increase the aggregate sums
20 specified in subsection a. of this section for the bank's costs to
21 acquire lending capital, specifically:

22 (1) the amounts of capitalized interest and the bond issuance
23 expenses as provided in subsection b. of section 6 of this act;

24 (2) the amounts of reserve capacity expenses and debt service
25 reserve fund requirements as provided in subsection c. of section 6
26 of this act;

27 (3) the interest earned on amounts deposited for project costs
28 pending their distribution to project sponsors as provided in
29 subsection d. of section 6 of this act;

30 (4) the amounts of the loan origination fee as provided in
31 subsection e. of section 6 of this act.

32 c. For the purposes of this act:

33 “bank” means the New Jersey Infrastructure Bank, established
34 pursuant to section 4 of P.L.1985, c.334 (C.58:11B-4);

35 “capitalized interest” means an amount equal to interest paid on
36 bank transportation bonds which is funded with bank transportation
37 bond proceeds and the earnings thereon;

38 “debt service reserve fund expenses” means the debt service
39 reserve fund costs associated with reserve capacity expenses;

40 “issuance expenses” means any costs related to the issuance of
41 bank transportation bonds and includes, but is not limited to, the costs
42 of financial document printing, bond insurance premiums or other
43 credit enhancement, underwriters' discount, verification of financial
44 calculations, the services of bond rating agencies and trustees, the
45 employment of accountants, attorneys, financial advisors, loan
46 servicing agents, registrars, and paying agents;

47 “loan origination fee” means the fee charged by the bank to pay a
48 portion of the costs incurred by the bank and the Department of

1 Transportation in the implementation of the New Jersey
2 Transportation Infrastructure Financing Program;
3 “project sponsor” means a local government unit receiving a loan
4 from the bank pursuant to this act; and
5 “reserve capacity expenses” means those project costs for reserve
6 capacity which are eligible for loans from the bank in accordance
7 with the requirements of subsection g. of section 9 of P.L.1985, c.334
8 (C.58:11B-9) and any policy statements relating to the
9 Transportation Bank Infrastructure Financing Program to be set forth
10 in the State fiscal year 2022 Transportation Infrastructure Financing
11 Program Financial Plan.
12
13 2. The New Jersey Infrastructure Bank is authorized to make
14 loans to or on behalf of the project sponsors for the transportation
15 projects listed in subsection a. of section 3 of this act up to the
16 individual amounts indicated and in the priority stated, except that
17 any such amount may be reduced by the bank pursuant to subsection
18 a. of section 6 of this act, or if a project fails to meet the requirements
19 of section 5 of this act. The bank is authorized to increase any such
20 amount pursuant to subsection b. through subsection e. of section 6
21 or section 7 of this act.
22
23 3. a. The following transportation infrastructure projects shall
24 be known and may be cited as the “State Fiscal Year 2022
25 Transportation Financing Program Project Eligibility List”:

Applicant	Project No.	Total Allowable State Loan Amount	Estimated Total Allowable Loan Amount
Burlington County	TB0300-001	\$ 1,662,500	\$ 3,325,000
Bayonne City	TB0901-001	\$ 1,460,615	\$ 2,921,230
Cape May County	TB0500-007	\$ 5,050,000	\$ 10,100,000
Essex County	TB0700-003	\$ 1,125,000	\$ 2,250,000
Camden County	TB0400-001	\$ 1,250,000	\$ 2,500,000
Orange City	TB0717-001	\$ 4,955,000	\$ 9,910,000
Little Silver Borough	TB1325-002	\$ 1,195,500	\$ 2,391,000
Hackensack City	TB0223-001	\$ 1,960,890	\$ 3,921,780
Little Silver Borough	TB1325-001	\$ 229,500	\$ 459,000
Somerdale Borough	TB0431-002	\$ 526,775	\$ 1,053,550
Somerdale Borough	TB0431-001	\$ 500,000	\$ 1,000,000
Essex County	TB0700-004	\$ 2,586,269	\$ 5,172,537
Orange City	TB0717-002	\$ 4,606,000	\$ 9,212,000
Flemington Borough	TB1009-001	\$ 835,775	\$ 1,671,550
Raritan Township	TB1021-001	\$ 1,411,475	\$ 2,822,950
Bloomfield Township	TB0702-001	\$ 3,490,352	\$ 6,980,703
Orange City	TB0717-003	\$ 934,250	\$ 1,868,500
Raritan Township	TB1021-004	\$ 394,604	\$ 789,207
Total Projects: 18		\$34,174,505	\$68,349,007

- 1
- 2 b. The bank is authorized to adjust the allowable State loan
- 3 amount and estimated total allowable loan amount for each project
- 4 authorized in this section as appropriate, provided that the total
- 5 amount of loan issuance remains within available funds and that each
- 6 loan is issued pursuant to the terms and conditions of the financing
- 7 program from the year in which each construction contract for a
- 8 project was certified, if subject to an interim financing program loan
- 9 or, in the absence of an interim financing program loan, the terms and
- 10 conditions of the State Fiscal Year 2022 Financing Program.
- 11 c. The bank is authorized to increase the loan amount of projects
- 12 authorized pursuant to this section in the future to compensate for a
- 13 refunding of the issue, provided adequate savings are achieved, for
- 14 the loans issued pursuant to this act.

1 4. In accordance with and subject to the provisions of sections
2 5, 6, and 23 of P.L.1985, c.334 (C.58:11B-5, 58:11B-6, and 58:11B-
3 23), and as set forth in the financial plan required pursuant to section
4 37 of P.L.2016, c.56 (C.58:11B-22.3), any proceeds from bonds
5 issued by the bank to make loans for priority transportation
6 infrastructure projects listed in section 3 of this act which are not
7 expended for that purpose may be applied for the payment of all or
8 any part of the principal of, or interest and premium on, the bank
9 transportation bonds whether due at stated maturity, the interest
10 payment dates, or earlier upon redemption. A portion of the proceeds
11 from bonds issued by the bank to make loans for priority
12 transportation infrastructure projects pursuant to this act may be
13 applied for the payment of capitalized interest and for the payment
14 of any issuance expenses; for the payment of reserve capacity
15 expenses; for the payment of debt service reserve fund expenses; for
16 the payment of the loan origination fees; and for the payment of
17 increased costs, as defined and determined in accordance with the
18 rules and regulations adopted by the bank pursuant to section 27 of
19 P.L.1985, c.334 (C.58:11B-27) and satisfies the requirements of
20 subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9) and any
21 policy statements relating to the Transportation Bank Infrastructure
22 Financing Program to be set forth in the State Fiscal Year 2022
23 Transportation Infrastructure Financing Program Financial Plan.

24
25 5. Any loan made by the New Jersey Infrastructure Bank
26 pursuant to this act shall be subject to the following requirements:

27 a. The chairperson, vice-chairperson or secretary of the bank
28 shall certify that the project is in compliance with the provisions of
29 P.L.1984, c.73, P.L.1985, c.334, P.L.2016, c.56, and any amendatory
30 and supplementary acts thereto, and any rules and regulations
31 adopted pursuant thereto, as applicable, and satisfies the
32 requirements of subsection g. of section 9 of P.L.1985, c.334
33 (C.58:11B-9) and any policy statements relating to the
34 Transportation Bank Infrastructure Financing Program to be set forth
35 in the State Fiscal Year 2022 Transportation Infrastructure Financing
36 Program Financial Plan. In making this certification, the chairperson,
37 vice-chairperson or secretary may conclusively rely on the project
38 review conducted by the Department of Transportation without any
39 independent review thereof by the bank;

40 b. The loan shall be conditioned upon inclusion of the project on
41 a project eligibility list approved pursuant to section 36 of P.L.2016,
42 c.56 (C.58:11B-20.2);

43 c. The loan shall be repaid within a period not to exceed 31 years
44 of the making of the loan or, for loans funded pursuant to the
45 “Transportation Infrastructure Finance and Innovation Act” (TIFIA),
46 23 U.S.C. s.601 et seq., as amended and superseded, not later than
47 the maximum time period allowed by the TIFIA;

1 d. The loan shall not exceed the allowable project cost of the
2 transportation infrastructure project, exclusive of capitalized interest,
3 administrative expenses associated with federal funding programs, if
4 applicable, and issuance expenses as provided in subsection b. of
5 section 6 of this act, reserve capacity expenses and the debt service
6 reserve fund expenses as provided in subsection c. of section 6 of this
7 act, interest earned on project costs as provided in subsection d. of
8 section 6 of this act, the amounts of the loan origination fee as
9 provided in subsection e. of section 6 of this act, refunding increases
10 as provided in section 7 of this act, and increased costs as defined
11 and determined in accordance with the rules and regulations adopted
12 by the bank pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27)
13 and satisfies the requirements of subsection g. of section 9 of
14 P.L.1985, c.334 (C.58:11B-9) and any policy statements relating to
15 the Transportation Bank Infrastructure Financing Program to be set
16 forth in the State Fiscal Year 2022 Transportation Infrastructure
17 Financing Program Financial Plan;

18 e. The loan shall bear interest, exclusive of any, cost of issuance
19 charges, late charges or administrative fees payable to the bank
20 pursuant to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-
21 5) by the project sponsors receiving bank transportation loans, at or
22 below the interest rate paid by the bank on the bonds issued to make
23 or refund the loans authorized by this act, adjusted for underwriting
24 discount and original issue discount or premium, in accordance with
25 the terms and conditions set forth in the financial plan required
26 pursuant to section 37 of P.L.2016, c.56 (C.58:11B-22.3); and

27 f. The loan shall be subject to all other terms and conditions as
28 the bank shall determine to be consistent with the provisions of
29 P.L.1985, c.334 (C.58:11B-1 et seq.) and any rules and regulations
30 adopted pursuant thereto, the requirements of subsection g. of section
31 9 of P.L.1985, c.334 (C.58:11B-9), any policy statements relating to
32 the Transportation Bank Infrastructure Financing Program and with
33 the financial plan required by section 37 of P.L.2016, c.56
34 (C.58:11B-22.3). The eligibility lists and authorization for the
35 making of loans pursuant to this act shall expire on July 1, 2022, and
36 any project sponsor which has not executed and delivered a loan
37 agreement with the bank for a loan authorized in this act shall no
38 longer be entitled to that loan.

39
40 6. a. The New Jersey Infrastructure Bank is authorized to reduce
41 the individual amount of loan funds made available to or on behalf
42 of project sponsors pursuant to section 3 of this act based upon final
43 building costs defined in and determined in accordance with rules
44 and regulations adopted by the bank pursuant to section 27 of
45 P.L.1985, c.334 (C.58:11B-27) and the requirements of subsection g.
46 of section 9 of P.L.1985, c.334 (C.58:11B-9) and any policy
47 statements relating to the Transportation Bank Infrastructure
48 Financing Program to be set forth in the State Fiscal Year 2022

1 Transportation Infrastructure Financing Program Financial Plan. The
2 bank is authorized to use any such reduction in the loan amount made
3 available to a project sponsor to cover that project sponsor's increased
4 costs due to differing site conditions or other allowable expenses as
5 defined and determined in accordance with the rules and regulations
6 adopted by the bank pursuant to section 27 of P.L.1985, c.334
7 (C.58:11B-27) and the requirements of subsection g. of section 9 of
8 P.L.1985, c.334 (C.58:11B-9) and any policy statements relating to
9 the Transportation Bank Infrastructure Financing Program to be set
10 forth in the State Fiscal Year 2022 Transportation Infrastructure
11 Financing Program Financial Plan.

12 b. The bank is authorized to increase each loan amount authorized
13 in section 3 of this act by the amount of capitalized interest, issuance
14 expenses and administrative expenses associated with federal
15 funding programs allocable to each loan made by the bank pursuant
16 to this act,

17 c. The bank is authorized to increase each loan amount authorized
18 in section 3 of this act by the amount of reserve capacity expenses,
19 and by the debt service reserve fund expenses associated with the
20 costs identified in subsection b. of section 1 of this act.

21 d. The bank is authorized to increase each loan amount authorized
22 in section 3 of this act by the interest earned on amounts deposited
23 for project costs pending their distribution to project sponsors.

24 e. The bank is authorized to increase each loan amount authorized
25 in section 3 of this act by the loan origination fee.

26

27 7. The New Jersey Infrastructure Bank is authorized to utilize
28 the proceeds from the refunding of bank transportation bonds to
29 increase the individual amount of loan funds made available to
30 project sponsors by the bank pursuant to this act provided that the
31 amount of the increase is limited to the amount of savings achieved
32 by the refunding of bank transportation bonds issued to make loans
33 authorized by this act.

34

35 8. The expenditure of funds authorized pursuant to this act is
36 subject to the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) as
37 amended and supplemented by P.L.2016, c.56, and the requirements
38 of subsection g. of section 9 of P.L.1985, c.334 (C.58:11B-9) and any
39 policy statements relating to the Transportation Bank Infrastructure
40 Financing Program to be set forth in the State Fiscal Year 2022
41 Transportation Infrastructure Financing Program Financial Plan, as
42 appropriate.

43

44 9. a. There is appropriated to the New Jersey Infrastructure
45 Bank for deposit in the transportation subaccount of the special fund
46 created and established by the bank for the short-term or temporary
47 loan financing or refinancing under the "Disaster Relief Emergency
48 Financing Program," program authorized pursuant to subsection a. of

1 section 1 of P.L.2013, c.93 (C.58:11B-9.5), such sums as needed
2 consisting of:

3 (1) sums from the “Interim Transportation Financing Program
4 Fund” as needed by the bank to make short-term or temporary loans
5 pursuant to the “Disaster Relief Emergency Financing Program” to
6 any one or more of the project sponsors, for the respective projects
7 thereof; and

8 (2) such other amounts to be deposited in the “Disaster Relief
9 Emergency Financing Program Fund,” established pursuant to
10 subsection a. of section 1 of P.L.2013, c.93 (C.58:11B-9.5), provided
11 that the amount so appropriated to the bank for deposit in the
12 “Disaster Relief Emergency Financing Program Fund” shall be
13 utilized by the bank to make short-term or temporary loans pursuant
14 to the “Disaster Relief Emergency Financing Program” to any one or
15 more of the project sponsors, for the respective projects thereof. Any
16 transportation projects funded by the “Disaster Relief Emergency
17 Financing Program” shall be subject to the approval of the
18 Commissioner of Transportation.

19 b. The Transportation Disaster Relief Emergency Financing
20 Program Project Priority List shall be submitted to the Legislature
21 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1) at least once
22 in each fiscal year. Any transportation infrastructure project or the
23 project sponsor thereof not identified in the Transportation Disaster
24 Relief Emergency Financing Program Project Priority List shall not
25 be eligible for a short-term or temporary loan from the Transportation
26 Disaster Relief Emergency Financing Program Fund.

27
28 10. Notwithstanding the provisions of the "Administrative
29 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary,
30 the bank shall not be required to adopt rules and regulations
31 governing the issuance of loans under the “Disaster Relief
32 Emergency Financing Program.”

33
34 11. This act shall take effect immediately.

35
36

37 STATEMENT

38

39 This bill authorizes the New Jersey Infrastructure Bank (NJIB)
40 (formerly the New Jersey Environmental Infrastructure Trust) to
41 expend up to \$68,349,007 to provide loans with an interest rate at or
42 below the prevailing market rate to local government units for up to
43 the total costs of 18 eligible transportation infrastructure projects.

44 This bill also permits the NJIB to use any loan repayments
45 received to date, and the amounts for capitalized interest, bond
46 issuance expenses and related amounts, to fund the State Fiscal Year
47 2022 New Jersey Transportation Infrastructure Financing Program
48 (NJTIB).

1 Since its creation in 2018, the NJIB, in partnership with the
2 Department of Transportation, has provided low-cost NJTIB loans
3 for the construction of critical transportation infrastructure projects
4 with the mission of reducing the cost of financing for New Jersey
5 counties and municipalities and making possible responsible and
6 sustainable economic development. Since 2018, NJTIB loans to local
7 government units have totaled more than \$52 million to finance
8 capital projects for public highways, approach roadways, ramps,
9 signal systems, roadbeds, transit lanes or rights of way, pedestrian
10 walkways and bridges connecting to passenger stations and servicing
11 facilities, bridges, and grade crossings generating more than 13
12 construction projects throughout the State.